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# Statement of the U.S. Chamber of Commerce

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**ON:**           **The Challenges of the 2009-H1N1 Influenza and Its Potential  
Impact on Small Businesses and Health Care Providers**

**TO:**           **The House Committee on Small Business**

**DATE:**       **September 9, 2009**

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The Chamber's mission is to advance human progress through an economic,  
political and social system based on individual freedom,  
incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region.

More than 96% of the Chamber's members are small businesses with 100 or fewer employees, 70% of which have 10 or fewer employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross-section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business — manufacturing, retailing, services, construction, wholesaling, and finance — is represented. Also, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the U.S. Chamber of Commerce's 112 American Chambers of Commerce abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross-section of Chamber members serving on committees, subcommittees, and task forces. More than 1,000 business people participate in this process.

**Testimony of Harold Jackson, President and CEO of Buffalo Supply, Inc.  
on behalf of the U.S. Chamber of Commerce**

**Before the U.S. House of Representatives  
Committee on Small Business**

**Hearing on the Challenges of the 2009-H1N1 Influenza and Its Potential Impact on  
Small Businesses and Health Care Providers**

**Wednesday, September 9, 2009**

Good afternoon Chairwoman Velázquez, Ranking Member Graves, and members of the committee. Thank you for inviting me to testify before the committee today. My name is Harold Jackson. I am the President and CEO of Buffalo Supply, Inc. — a 15-employee, women-owned small business specializing in the sale and distribution of medical and surgical equipment and supplies — located in Lafayette, Colorado. I am pleased to be able to appear before you today on behalf of the U.S. Chamber of Commerce (U.S. Chamber). The U.S. Chamber is the world's largest business federation representing over three million businesses and organizations of every size, sector, and region. More than 96% of Chamber members are small businesses with fewer than 100 employees. I commend the committee for holding this hearing to discuss the challenges of the 2009 H1N1 influenza and its potential impact on small businesses. My testimony is based on my personal and professional experience, and I wanted to especially highlight actions the U.S. Chamber is taking to encourage the business community to prepare for a potentially severe H1N1 flu outbreak this coming flu season.

If I leave the committee with a single point, it is that absenteeism will be the central issue that businesses wrestle with during this pandemic. Businesses should focus on keeping the workplace healthy, including encouraging sick employees to stay home to avoid infecting coworkers, and maintaining business continuity.

**BUSINESSES SHOULD ACT NOW TO KEEP EMPLOYEES HEALTHY AND  
MAINTAIN OPERATIONS**

**The Next Wave of the H1N1 Flu Virus**

The 2009 H1N1 influenza outbreak has demonstrated how rapidly a new strain of flu can emerge and spread around the world. As of late August in the United States, H1N1 was reported in all 50 states and two territories, including nearly 9,000 hospitalized cases and more than 500 deaths.<sup>1</sup> While the initial onset of the H1N1 flu this spring briefly dominated news headlines, its impact was relatively moderate. But the nation — the business community, especially — cannot let down its guard. Federal officials warn that there could be a resurgent H1N1 flu outbreak during the upcoming fall and winter flu season, which could become much more severe.

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<sup>1</sup> Official data are available at [www.cdc.gov/h1n1flu/update.htm#totalcases](http://www.cdc.gov/h1n1flu/update.htm#totalcases). Some estimates suggest as many as 1 million probable cases. Global data can be found at [www.who.int/csr/don/2009\\_08\\_04/en/index.html](http://www.who.int/csr/don/2009_08_04/en/index.html).

## Absenteeism

At Buffalo Supply, my colleagues and I have discussed what might happen if a significant number of our employees were too sick to come to work. We've discussed how over the course of several months to a year, 15% or more<sup>2</sup> of our workforce could be absent for weeks. We are cognizant that other businesses we rely on could also face similarly high absentee rates.

Each winter in the United States, the seasonal flu kills approximately 36,000 people, hospitalizes more than 200,000, and costs the U.S. economy more than \$10 billion in lost productivity and direct medical expenses. Health experts warn that if the H1N1 flu becomes more deadly, it could quickly overwhelm the U.S. public health and health care system. It could also have a substantial impact on our nation's economy.<sup>3</sup> With that much of the population affected, the H1N1 flu could disrupt Buffalo Supply and many others businesses, no matter how big or small.

According to the Centers for Disease Control and Prevention (CDC), in communities where H1N1 flu circulated this past spring, the infection rate was roughly 6% to 8% over a three- to four-week period. During the winter season, infection rates could be two to three times higher, as both the H1N1 flu and the seasonal flu circulate and sicken people simultaneously.<sup>4</sup>

Predicting what influenza might do this flu season is challenging, and so is predicting future absenteeism. Nevertheless, business owners and managers should be familiar with their attendance rates, so that if absenteeism rises above ordinary levels they can take additional actions to protect employee health and mitigate harmful impacts on business operations.

Absenteeism — whether the outlook is similar to spring 2009, causing minimal effects, or more widespread and severe, having more prolonged impacts — will likely be the key issue that businesses wrestle with during this pandemic. Businesses should focus on reducing the transmission of the H1N1 flu in the workplace, including encouraging sick employees to stay home to avoid infecting coworkers, and maintaining business continuity.

Businesses, especially small businesses, will be challenged to balance the need to have key personnel available, whether on or off premises, in order to provide a minimum level of operational support to keep the business functional with workplace policies that provide for the isolation of infected employees. Every business will have different approaches to solving this problem and will need maximum flexibility in order to craft workplace policies that do not exacerbate what may be an already fragile financial environment. The U.S. Chamber is strongly against government passing into law workplace mandates or one-size-fits-all policies that may restrict a business' ability to address the potential outbreak in a measured and thoughtful way.

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<sup>2</sup> In August, a World Health Organization official said that 15% to 45% of a country's population could become infected by the new H1N1 virus by the end of the pandemic. The President's Council of Advisors on Science and Technology reported similar findings on August 27 and are available at [www.ostp.gov/cs/pcast](http://www.ostp.gov/cs/pcast).

<sup>3</sup> See the National Strategy for Pandemic Influenza (2005) at <http://www.pandemicflu.gov/plan/federal/pandemic-influenza.pdf>.

<sup>4</sup> See July 24 Centers for Disease Control and Prevention press briefing transcript at [www.cdc.gov/media/transcripts/2009/t090724.htm](http://www.cdc.gov/media/transcripts/2009/t090724.htm).

## **All Hazards Preparedness**

For many, running a small business leaves little time for planning for a disaster. Yet, virtually any major incident or hazard — such as a wildfire, earthquake, or flood — could force a business to close its doors permanently. According to the Institute for Business & Home Safety (IBHS), 25% of businesses that close following a major disaster do not reopen. It is not clear how many small businesses may close in the wake of a severe pandemic, but they could be especially vulnerable to a virulent H1N1 outbreak and should make preparedness a priority.<sup>5</sup>

Small businesses are the bedrock of private sector industries and their local communities. Even if faced with widespread absenteeism, restricted services, and supply chain disruptions, well-prepared businesses can keep their doors open and our nation's economy strong and resilient.

The U.S. Chamber recommends that small business owners select someone to be responsible for emergency planning, including infectious disease issues, at the workplace. Also, small business owners should update employee telephone rosters, buy emergency supplies (federal officials recommend storing a two-week supply of food and medical resources for work and home), and review emergency plans with employees.

Buffalo Supply has been taking the following actions to keep our employees healthy and maintain business operations:

- Communicating with employees about H1N1 to increase awareness and education.
- Cleaning regularly key boards, desks, file cabinets, and other equipment.
- Installing hand-sanitation stations, like you have in various buildings on Capitol Hill.
- Having a visiting nurse give free seasonal flu shots to employees, and are requesting H1N1 shots when they become available.
- Purchasing additional copies of special software to allow employees to work from home.
- Considering limiting travel, should the pandemic worsen, to reduce the risk of exposure to people with H1N1.

Buffalo Supply is taking these and other actions because, in addition to the threat that a widespread and deadly pandemic could pose to human health worldwide, few industries will be insulated from the economic effects resulting from absenteeism in the workplace or from the downstream effects stemming from supply chain and travel disruptions. It is important for business owners and leaders to be knowledgeable about the risks associated with an H1N1 flu pandemic and, in turn, to be adequately prepared for the possibility that a severe pandemic could have significant social and economic costs.

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<sup>5</sup> IBHS can provide business owners and operators with tools to help them plan for a variety of potential emergencies, including an H1N1 pandemic, which could disrupt day-to-day business. See, for example: [www.disastersafety.org/resource/resmgr/pdfs/pandemic\\_flu.pdf](http://www.disastersafety.org/resource/resmgr/pdfs/pandemic_flu.pdf).

## **U.S. CHAMBER ENCOURAGES PLANNING AND PREPAREDNESS**

### **“It’s Not Flu as Usual: An H1N1 Business Preparedness Guide”**

The U.S. Chamber and Trust for America’s Health have teamed up to produce a guide titled, “It’s Not Flu as Usual,” to provide businesses with practical recommendations on how individuals and organizations can:

- Prepare for the next wave of H1N1 flu, which may be more severe, in order to maintain business continuity.
- Protect employees’ health.
- Cut through the maze of public information to focus on essential actions. (See attached appendix.)

This guide includes a list of Internet sites that can provide businesses with a wealth of detailed information on topics like vaccines, antivirals (Tamiflu® and Relenza®), face masks, and respirators. It will be released publicly in a few weeks at [www.uschamber.com/pandemic](http://www.uschamber.com/pandemic). Hard copies can be obtained by the U.S. Chamber’s National Security and Emergency Preparedness Department.

Additionally, in August, the U.S. Chamber participated in a Department of Health and Human Services (HHS) webcast discussion on the new federal guidance and toolkit for businesses and employers. The U.S. Chamber worked with the CDC to promote business participation in a series of web-based dialogues and community meetings to help the agency tap public views regarding the government’s upcoming H1N1 flu vaccination program. On September 18, the U.S. Chamber will host Dr. Anne Schuchat, who is the CDC’s Chief Health Officer for H1N1 Response, to speak on issues related to H1N1 flu preparedness as well as lessons learned from the spring and the outlook for the fall and winter.

## **ADMINISTRATION DESERVES PRAISE FOR ITS EFFORTS**

### **H1N1 Summit, Vaccine Recommendations, School Closures Guidance**

Since the outset of the latest H1N1 flu outbreak, the Obama administration has captured the right mix of communicating concern and encouraging the public to be prepared. Last week, President Obama said, “I don’t want anybody to be alarmed, but I do want everybody to be prepared.”

In July, Secretaries Kathleen Sebelius (HHS), Janet Napolitano (Department of Homeland Security), and Arne Duncan (Department of Education), and Homeland Security Advisor John Brennan hosted an H1N1 Flu Preparedness Summit with state health officials and emergency managers to prepare the nation for the possibility of a more severe outbreak of H1N1 in the fall.

The federal government is preparing for an H1N1 vaccination campaign. Health officials are striving to have a safe and effective vaccine available for distribution as early as mid-October 2009. But it is possible, even probable, that severe outbreaks may begin in different parts of the United States before then. This makes prevention — keeping sick people away from healthy people and following personal hygiene tips — even more important. In July, the Advisory Committee on Immunization Practices recommended who should receive priority for the first vaccinations, including women who are pregnant, health care and emergency medical services personnel, and people with chronic health conditions, such as diabetes.

In addition, the federal government issued in August new guidelines to the nation's 130,000 public and private K-12 schools, which have about 55 million students and 7 million staff, on how to handle a resurgence of H1N1 flu cases this coming school year. During the spring, federal authorities urged schools to close at the first signs of a sick student. However, officials backed away from such a strong stance once they had a better understanding of how the current version of the H1N1 flu behaves and how to control it. Authorities said that students and staff who appear sick should be separated from others until they can be sent home. Sick individuals should stay home for 24 hours after they are symptom free. Officials also stressed that the decision to dismiss students should be made locally. However, state and local officials also are planning for temporary home schooling and are considering additional steps if the flu dramatically worsens. Guidance on school planning can be found at [www.flu.gov/plan/school/index.html](http://www.flu.gov/plan/school/index.html).

### **Updated Federal Guidance, Toolkit for Businesses**

Businesses should focus on reducing the transmission of the H1N1 flu in the workplace, keeping employees healthy, and maintaining business continuity. Businesses should also focus on flexibility. On August 19, federal officials released new guidance for non-health care employers for the upcoming flu season. Federal officials urge employers to respond in a flexible way to varying levels of H1N1 flu severity and worker absenteeism. Businesses and employers are encouraged to review this federal guidance and a toolkit, which includes fact sheets for employers and employees and sample e-mails and text messages for businesses to send to employees. These resources are available online at [www.flu.gov/professional/business](http://www.flu.gov/professional/business), and the administration deserves credit for updating the guidance and making it a priority. The guidance and toolkit will be beneficial, particularly to small business owners who devote time over the next few weeks toward reviewing the content and implementing some of the suggestions.

### **CONCLUSION: H1N1 FLU — IT'S EVERYONE'S PROBLEM**

If the H1N1 flu becomes more severe this fall and winter, it is likely to be a prolonged and widespread outbreak that could require major changes in many areas of society, including schools, businesses, transportation, and government. To be prepared, government health agencies encourage individuals, businesses, and communities to consider the following:

- Talk with your local public health officials and health care providers, who can supply information about the signs and symptoms of a specific disease outbreak and recommend prevention and control actions.

- Adopt business practices encouraging sick employees to stay home, and anticipate how to function with a significant portion of the workforce absent owing to illness or caring for ill family members.
- Practice good health habits, including eating a balanced diet, exercising daily, and getting sufficient rest.
- Take steps to stop the spread of germs, including frequent hand washing, covering coughs and sneezes, and staying away from others as much as possible when you are sick.
- Stay informed about pandemic influenza and be prepared to respond. Businesses can receive e-mail updates on guidance and H1N1 facts and figures through the federal government's clearinghouse for influenza information: [www.flu.gov](http://www.flu.gov).

Chairwoman Velázquez and members of the committee, the U.S. Chamber and Buffalo Supply recommend that businesses review continuity plans and anticipate nuts-and-bolts issues, such as high employee absentee rates. Both the public and private sectors must incorporate the lessons we learned this spring. Being prepared to respond to an emergency is in a business' own interest; it is also a shared responsibility of both business and government to become engaged in preparation and prevention efforts. By planning and preparing now, businesses can likely mitigate hardships in the future and help create an environment for a resilient economy.

Thank you for the opportunity to testify. I'd be happy to answer any questions you may have.



## APPENDIX

### **Actions Your Business Can Take to Decrease the Spread of the Flu and to Maintain Business Continuity**

Businesses should keep in mind that many strategies take time to implement.

1. Update sick leave and family and medical leave policies and communicate with employees about staying away from the workplace if they are ill. For example, employers may want to temporarily forgo requiring sick notes from employees' doctors to relieve strain on the nation's health care system.
2. Maintain a healthy work environment. Ensure adequate air circulation. Post tips on how to stop the spread of germs at work. Promote hand and respiratory hygiene. Ensure widespread and easy availability of alcohol-based hand sanitizer products, including wipes and gels.
3. Establish an emergency communications plan and revise periodically. The plan should include key contacts (with backups) as well as the processes for communicating pandemic status and actions to employees, vendors, suppliers, and customers inside and outside the work site in a consistent and timely way. During the outbreak this past spring, internal web sites proved effective for communicating to employees and providing links to trusted Internet resources.
4. Identify your company's essential functions, including accounting, payroll, and information technology and the individuals who perform them. The absence of these individuals could seriously impair business continuity. Cross-train employees to perform essential functions.
5. Plan for interruptions of essential government services like sanitation, water, power, and transportation or disruptions to the food supply. For example, your employees may need backup plans for car pools in case mass transit is interrupted.
6. Determine which outside activities are critical to maintaining operations and develop alternatives. For example, what transportation systems are needed to provide essential materials? Does the business operate on just-in-time inventory or is there typically some reserve?
7. Establish or expand policies and tools to promote "social distancing," such as reducing the number of face-to-face meetings and allowing employees to work from home (telecommuting) with appropriate security and network access to applications.
8. Check that existing business continuity contingency plans address long-term absenteeism rates. In particular, check to see if core business activities can be sustained over several weeks with only a minimal workforce available.
9. Collaborate with insurers, health plans, and major health care facilities to share your pandemic contingency plans and to learn about their capabilities and plans.
10. Educate employees now and over the course of a pandemic to limit the negative effects of H1N1 among your workforce. Tell your employees about the threat of a more severe wave of the H1N1 flu virus and about the steps the company is taking to prepare for it, and how basic policies they rely on would, or would not, be impacted.

This list is included in the forthcoming guide, "It's Not Flu as Usual," developed by the U.S. Chamber and Trust for America's Health, which will be available at [www.uschamber.com/pandemic](http://www.uschamber.com/pandemic).